

## Sales Policies for Sustainability and Community Tourism as a Proposal for Social Development in the Wheat Flour Production, Industrialization and Marketing Cooperative “COOPINCOSAN” in Guaranda of Ecuador

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Sales Policies for Sustainability in various production cooperatives arise in response to a lack of understanding of product behavior in the market. In this context, the aim of this study was to diagnose the current situation of the COOPINCOSAN company (local agricultural organization/cooperation), identify processes and management within the commercial department, and ultimately implement strategies to optimize product marketing. To achieve these objectives, exploratory, descriptive, and deductive methods were employed. Surveys were conducted using a statistically validated questionnaire through the Cronbach's Alpha method. The results revealed a significant lack of involvement from cooperative members in marketing, as well as a notable absence of promotion strategies, leading to a decrease in sales. In response, three sales policies supported by two key strategies were implemented: the introduction of a specific marketing channel and the development of a comprehensive promotion plan. These measures aim to effectively address identified shortcomings, encouraging active participation of members and generating a significant boost in sales. In conclusion, the sales strategies seek not only to rectify the lack of member participation and promotion but also to enhance products and strengthen the brand, fostering awareness that drives sales and solidifies COOPINCOSAN in the market.

**Keywords:** Agricultural development, Agritourism, commercialization, Sales policies, Production Cooperatives, Sustainability, Promotion Strategies, COOPINCOSAN.

### INTRODUCTION

The cooperative “COOPINCOSAN” plays a crucial role in the wheat flour industry in Guaranda, Ecuador. As the cooperative aims to enhance social development, it is essential to explore sustainable sales policies and community-based tourism strategies. Guaranda, located in the Andean highlands, presents unique opportunities for integrating sustainability and community tourism into COOPINCOSAN's sales policies. The region boasts rich cultural heritage, scenic beauty, and traditional agricultural practices that can be leveraged to attract tourists seeking authentic experiences. By aligning sales strategies with these

aspects, COOPINCOSAN can not only enhance its market competitiveness but also contribute to the social development of the Guaranda community (Buckley, 2012; Ritchie, 2003). The agricultural sector is one of the main axes of a country's economy, however, Ecuador has increased forms of organization by encouraging the generation of new ideas in favor of changing the country's productive matrix under the Law Organic of Economy Popular and Solidarity (LOEPS) whose objective is to promote the practices of the popular and solidarity economy (LOEPS, 2017).

Solidarity economy organizations worldwide have become subjects of debate, because they increase their capacities to produce, access goods and services, commercialize their

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products, thereby helping to improve welfare conditions (Bijman and Mwanika, 2018; Ramón *et al.*, 2020).

In Ecuador, wheat is a cereal that constitutes one of the essential elements in obtaining derivatives for human consumption, the national production of wheat has an average productivity of 0,6 tons per hectare, while the world efficiency is 1 to 3 tons per hectare and in developed countries, they register 6 tons (Pallas-Cabezas, 2017). In addition, given the nontonia of the world in which we live, it is highly recommended that traditional agricultural production be accompanied by rural or community tourism, knowing that tourism is an activity characterized according to the context in which it develops, environmental conditions and resources. natural and cultural that favor its development, for which the modality known as community tourism is an activity that takes place in rural areas which represents an alternative for economic and social development (CODESPA, 2013). Rural tourism is fundamentally linked to craft activities, mystical experiences and the collection of wild plant species (fruits, seeds and mushrooms) for human consumption and for ornamental purposes in natural spaces, which contribute to the economic development of the place (Palomino *et al.*, 2016; Guimarães *et al.*, 2022).

In the Bolivar province, the development of the popular and solidarity economy has been promoted, through the generation of employment at the local level with the formation of farmer cooperatives promoted by the National Institute of Popular and Solidarity Economy (NIPSE) under the coordination of different projects of the Ministry of Agriculture and Livestock and Ministry of Tourism.

For all the aforementioned, this investigation was born to contribute to the sustainability of the cooperative through the design of sales policies that enhance the sustainability of the cooperative of production, industrialization, commercialization Santa Fe COOPINCOSAN

## MATERIALS AND METHODS

The methodology applied in the research was based on exploratory, descriptive, deductive methods based on techniques such as: scientific reading and surveys with the use of a questionnaire that was statistically validated by Cronbach's Alpha internal consistency method before taking field research data. With this investigation, sales policies were defined that will help the members of the Cooperative to market their products. In addition, secondary sources have been studied through the bibliographic review for the theoretical bases of the research work using different reliable sources such as publications made in indexed journals, books, documents from corporate authors and other contributions.

**Population:** The application of this study was carried out in the Santa Fe parish in Guaranda (Ecuador) under these considerations, the population is referred to any set of individuals or elements that participate in the character under

study (García-Ramos *et al.*, 2016). Based on this definition, the study population was made up of external clients (50 people), members (90) and the cooperative's administrator (2). On the other hand, considering the productive approach of the mill, the different alternatives or attractions have been analyzed where a descriptive level of depth is applied in view that details the main components of the object under study, its characteristics, includes variables such as population, geography, climate, customs, traditions, natural and cultural attractions, which was evidenced in the application of techniques such as observation and survey and served as the basis for the design of a tourist product in the Santa Fe parish, especially in the area surrounding the mill to offer a tourist offer from the community bases.

## RESULTS AND DISCUSSION

**Financial composition of COOPINCOSAN:** Regarding the company's balance sheet during 2018, there are total assets of \$ 214.366,79; total liabilities of \$ 15.939,08 has an equity of \$ 198.427,76, it is feasible to analyze the current situation of COOPINCOSAN.

**Evolution of profit and loss statements of COOPINCOSAN:** Regarding the profit and loss statement of the company during the year 2018, it was evidenced that there is a total of sales income of \$ 32.655,26, a total of costs and expenses of \$ 38.995,28, giving a net profit/loss of \$ 6.340, 02, means that the company spends more than it produces.

**Company Cash Flow Description:** Regarding the description of the company's cash flow in 2018, the detail of the product portfolio with its respective presentations, unit price and cost of sale is observed, highlighting wheat flour as the star product, which represents higher economic income.

**Company costs and expenses:** In the costs and expenses of the company it was projected to five years, interest generated from financial expenses was included, due to a debt acquired in BanEcuador for working capital, where a total of costs in 2018 is observed for a value of \$ 23.167,50

**Profits and losses of COOPINCOSAN:** As for the summary of profit and loss of the company, it was projected to five years, in this analysis the participation of workers was included, and income tax exists a profit of the last year for the value of \$ 1.761,92.

**Cash flow:** Regarding the present cash flow projected over five years, a final cash balance of the first year of \$ 17.928,32 is observed.

**Financial Indices:** Regarding the financial indices presented by the company, there is an IRR and a NPV below the discount rate, less than zero, showing to date that the business does not have the expected profitability, an acceptable cost benefit ratio, indebtedness capacity is observed favorable leverage, in terms of ROE (Return on Equity) and ROA (Return On Assets) the economic and financial capacity of the company is acceptable, that means guarantee coverage has








sufficient guarantee to access a new credit (González Castillo, 2018).

**Product Portfolio Description:** The COOPINCOSAN organization provides milling services to obtain the following products: wheat, beans, barley, corn, peas and barley rice. It should be noted that the products offered by the company have a sanitary registry duly controlled by the different control instances.

**Analysis of the management of the sales department of the cooperative:** The perception of internal and external clients was analyzed. Table 1 shows the activities, symbols as results in the elaboration of the flow charts with respect to the production, sale and marketing processes.

**Table 1. Symbols of operations in the company process.**

Activity	Symbol	Predominant result
Operation		Something is produced or done.
Transport		Moved
Inspection		Quality or quantity is verified
Delay		The next step is inferred or delayed
Storage		It is saved or protected

**Fidelity of the partners with COOPINCOSAN:** Regarding the loyalty of the partners, there are 52% of partners who state that they feel satisfied by being part of the board, and / or company committees, 62% say they do not participate in the board, but are part of the general assembly (maximum authority of the organization).

**Identification of COOPINCOSAN difficulties:** More frequently, the main difficulties and shortcomings is the price and scarce markets to offer their products, since this action is challenging, so it is suggested to use creative low-cost methods for selling the product.

**Comparative analysis of clients:** For this analysis, a sample was taken of 20 clients from the cantons of San Miguel and Guaranda (Ecuador), places where the products are marketed, showing that 65% of clients supply biweekly and 30% monthly, on the other hand, 55% have some degree of difficulty in acquiring the products of the cooperative for reasons such as: ignorance of the product, lack of transportation, poor access to the place of sale.

**By what means did you know of the existence of COOPINCOSAN products:** Regarding the media, 80% of customers state that they met through a visit by a vendor, 10% by radio and another 10% through an in-site visit to the plant.

**Design of sales policies:**

**Diagnosis of positive and negative factors:** The progress of the research focused on carrying out an analysis of the COOPINCOSAN Cooperative with the idea of conceiving a structure with the company's strengths and weaknesses, for

which, Table 2 identifies the positive and negative aspects through an analysis SWOT.

**Table 2. SWOT matrix of COOPINCOSAN.**

Context	Positive factors	Negative factors
<b>Internal</b>	<b>Strengths</b>	<b>Weaknesses</b>
	Ability to acquire raw materials in order to industrialize.	Instability of the price of raw materials in the local market.
	Existence of adequate machinery for raw material processing.	Existence of inadequate machinery for raw material processing, machinery not suitable for grains in the area.
	Product diversification, several with sanitary registration to offer.	Products that do not have a defined market segment.
	Commercial relations with clients of Guaranda and San Miguel.	Lack of knowledge of the mill products by new customers.
<b>External</b>	<b>Opportunities</b>	<b>Threats</b>
	The climate and soil factor available in the sector are adequate for the production of corn, wheat, barley and beans.	Appearance of new pests and diseases in crops in the area.
	Alternative new markets for the sale of company products.	Competition in the market by informal sellers.
	Participation in fairs, to promote the product in various ways to win more customers.	Members' disinterest in participating in advertising events to offer the products.
	Technical assistance in the field by MAG technicians.	Little interest from producers in participating in training conducted by MAG.
	Diversity of clients in the sector and neighboring cantons.	Neglect of customers to consume company products.

**Internal factors evaluation matrix:** Regarding this analysis, the weights reached by the evaluations reached a value of 2.52 and weaknesses 2.93 (the weaknesses tend to increase by 0.41).

**External factors evaluation matrix:** The weights that the evaluations reached regarding opportunities reached a value of 1.97 and threats 2.77, that is, threats have an increase of 0.8.

**Competitive Profile Matrix:** The competitive profile matrix means that its possible competitors were chosen in this case Aki, Abastos Fernanda and Tía, it was observed that the commercial Aki is the main competitor with a higher valuation 2.66.

**Proposal and justification:** The development of this proposal will be accepted in a general assembly by members and managers of the cooperative, since, due to the constant



technological, social, economic and cultural changes, it is necessary to innovate and reform all processes.

Sales objectives: Get new clients; sell more to current customers, recover accounts.

**Formulation of sales policies:** For the formulation of sales policies and strategies, the classification of segments and distribution channels to which the products are distributed will be taken into account.

**Customer segment:**

- Wholesale merchant in the canton of Guaranda and San Miguel.
- Companies such as: Camari, Maquita, associative organic fair-trade stores.
- Neighborhood stores
- Clients who visit the plant and during exhibition fairs.

**Segment by ideal profile:**

The markets to which the cooperative will target will be:

- Independently owned micro-company that carries out wholesale flour trade.
- Direct sale on site where consumers purchase directly from the company.
- People from the communities and who act as main consumers.
- Guayaquil National Mill.

In addition, discounts will be applied to attract consumers (For products according to the cost of production and demand of the time and according to the turnover volume for both wholesalers and retailers)

**Sales strategies:** After the analysis, sales strategies are proposed that will serve as the basis for the sales policies that the company intends to apply to achieve its sustainability, for which the four p's are used: Product; Price; Plaza and Promotion.

**Table 3. COOPINCOSAN price matrix.**

#	Products	Price by unit
1	Wheat Flour of 0,50 Kg.	0.50
2	Corn flour of 0,50 kg.	0.50
3	Barley flour of 0,50 kg.	0.75
4	Pea flour of 0,50 kg.	0.75
5	Bean flour of 0,50 kg.	1.00
6	Mill of "arroz de Cebada" of 0,50 kg.	0.75
7	Wheat flour in bags 45 Kg.	45.00

1. **PLAZA:** The strategies that must be generated are the following:
2. 1. Specialized technical knowledge for the elaboration of the products.
3. Prestige of the product being offered (quality) that meets customer expectations.
4. Continuous improvement, improving, innovation according to customer expectations.

It is recommended to expand the promotion and dissemination of products.

**PROMOTION:** Actions to be taken.

1. Promote, negotiate and sell the products
2. Visit neighborhood stores, wholesalers, and neighbors to promote products
3. 3. Leave samples of products for customers to see the color and texture of it

Should be noted that must take into account the criteria of Portalanza (2012) that indicated "what is not promoted, is not sold" (Moposita et al., 2018).

In Table 4, you can see the budget of the action plan that the cooperative must make for the recognition of its products and increase its sales by 50%, considering that gradually according to the continuity of the promotion plan will increase its sales by 60%.

**Table 4. Budget of the Promotion Plan.**

Detail	No. of samples	Individual cost	Total, cost
Delivery of samples of products to residents of the sector	1000	\$0,25	\$250,00
Delivery of samples to stores in the neighborhood of the city of Guaranda	1200	\$0,25	\$300,00
Promote the products to wholesalers in the city of Guaranda	300	\$0,25	\$75,00
Advertising spots in the mass media.	2	100	\$200,00
Vehicle advertising through billboards and advertising stickers.	100	1	\$100,00
Dissemination (coordinate visit of students, advertising "website")	600	\$0,60	\$360,00
<b>TOTAL BUDGET</b>			<b>\$1.285,00</b>

**Proposal for the implementation of Community Tourism:**

Within the analysis it has been possible to detect certain deficiencies, among which the following stand out:

1. Low quality of tourist services that prevents compliance with standards
2. Deficiencies of the tourist plant as well as the infrastructure that limit the development of tourist destinations in the Santa Fe parish.
3. Limited application of national policies in the regions and inapplicability of tourism development plans at the local level;
4. Lack of coordination between the entities of the national order regarding the policies of the sector; Y
5. Loss of articulation and management of public resources by the Ministry of Industry and the Ministry of Tourism.

However, the proposal that is presented will revolve around three pillars: the first, of which are tourism ventures because competitiveness and innovation emerge from them; the second, the human talent that responds to the current and future needs of the productive apparatus of the sector; and the



third, adaptation to the reality of the area; This is why the implementation of community tourism is proposed as a model of social development.

As a proposal towards the implementation of community tourism towards the social development model, the following should be applied:

1. Solutions must be centered on and created with the beneficiaries of the Santa Fe Farmers' Cooperative, never without them. This translates into the empowerment of communities, in such a way that social responses must focus first on their own problems and lifestyles. In this way, [Camacho and Valencia \(2018\)](#) ensure that social policies and interventions should be guided by the interests of users, making them much more effective and efficient.
2. Focus on the strengths of people in the community rather than their "weaknesses." This implies a change of attitude valuing the positive of the "weakest" in such a way that they superimpose their capacities on their needs.
3. Precisely when it is decided to support vulnerable groups, the design of the programs must aim at developing their skills and aptitudes, reinforcing their self-esteem and motivation, allowing them to discover their individual potential.
4. Develop a holistic approach, rather than piecemeal responses, to people's diverse problems. The great variety and complexity of the problems faced by individuals and societies require specific responses to their reality and territory. However, there must be a global vision of the person and their different problems that must be addressed in an integrated manner so as not to duplicate efforts and waste resources.
5. Strengthen and broaden partnerships, rather than each organization individually handling its "services" and "responsibilities." This is summed up in the principle "Better than alone, together in society."
7. Create extension solutions based on the local community instead of "global" solutions, away from people and communities. At the local level, the participation and commitment of the people are consolidated, using their own capacities to solve common problems.
8. Invest more in cooperation than in competition. In times of crisis, you can win by listening to stakeholders: employees, suppliers, and even competitors, in order to minimize social costs, expand markets, and increase competitiveness.
9. Value not only certifiable skills but also new skills associated with innovation and the discovery of what is new within the cooperative / organization, what has a future and what works.
10. Launch a new governance for learning. Innovation is associated with spaces where people meet and interact to -through new production ideas and new solutions- produce "social learning". In this sense, if innovation and

its incorporation depend on the ability to share and learn from others, then priority must be given to the creation of associations and networks.

Regarding the results, the model provides solutions that respond to social needs in a new, effective way, replicable in other contexts, since they adopt strategies from the business world. The results can be translated into a new or improved product or service, an organizational and/or collective distribution model. Examples of these strategies are social inclusion programs, microcredits for women producers, cultural programs for integration and fair trade, and of course Community Tourism, a new form of organization and management that translates into tourism products; guided tour tourism to the miller of the sector, ecotourism, rural tourism, agrotourism such as [Qureshi and Ahmed \(2012\)](#) and [Jindo et al. \(2023\)](#) reports, whose benefits are distributed among different members of the cooperative and therefore of the community.

**Conclusion:** In conclusion, the socialization of the sales policies and the established strategies, as well as the analysis of collected data which helped to determine the strategies and the promotion plan that is suggested to apply for the positioning of the products of the cooperative especially in consumers of the environment. Furthermore, in tourism, this proposal adopts a social innovation approach, as a replicable model developed for the community, composed of Participatory Research for Diagnosis; Training for Action and Management; and the Enhancement through the virtuous circle of Inclusive Tourism Ventures.

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**Ethical statement:** this study is not including any animal or organism parts, and allowances for cooperation info was taken from local authorities.

**Availability of data and material:** its available when requested by editor.

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**Consent for publication:** Authors are agreeing with publication of this paper by JGIAS

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